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Chairman: Mr. SENGWE (Zimbabwe)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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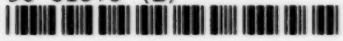

The meeting was called to order at 10 a.m.

AGENDA ITEM 136: FINANCING OF THE UNITED NATIONS ASSISTANCE MISSION FOR RWANDA (A/50/712/Add.1 to 3 and A/51/474)

1. Mr. TAKASU (Controller), introducing the report of the Secretary-General on the financing of the United Nations Assistance Mission for Rwanda (UNAMIR) (A/50/712/Add.3), said that the report in question contained the final performance report of UNAMIR for the period from 10 June to 31 December 1995. Paragraph 2 recalled the decisions which the Security Council and the General Assembly had taken on the mandate and financing of the Mission. The General Assembly had decided, inter alia, to appropriate a total amount of $109,951,900 gross for the period from 10 June to 31 December 1995, and to assess on Member States the amount of $99,685,400 gross for the period from 10 June to 8 December 1995. Expenditures against the amount assessed on Member States totalled $95,012,800 gross, resulting in a total unencumbered balance of $4,615,400 gross. That balance resulted from savings attributable to lower expenditures under various headings, including, inter alia, military contingents in respect of repatriation, rotation and consolidation, the upgrading, renovating and construction of premises, and the hire or charter of aircraft. At the same time, however, additional expenditures had been incurred as a result of other factors, such as changes in the timetable for the withdrawal of contingents or the additional civilian personnel requirements for the period which preceded the closure of the operation. The cost of satellite communications during the withdrawal phase had also been slightly higher than anticipated.

2. In paragraph 8 of his report, the Secretary-General suggested the actions to be taken by the General Assembly at its current session in connection with the financing of UNAMIR. The first was technical in nature, namely, to extend the financial period to 31 December 1995. The second was to reduce the appropriation for the period from 10 June to 31 December 1995 to reflect the assessment of $99.6 million gross (rounded figures). Finally, and that was the most important action to be taken, the Assembly should take a decision regarding the unencumbered balance of $4.6 million. In that regard, the Secretary-General gave the Assembly complete latitude to choose from among the various options the one that best suited it. If it decided to follow the usual procedure, it could credit to Member States the amount of the unencumbered balance. Another possibility would be to reserve the balance for later use, for example, for the financing of the International Tribunal for Rwanda, after the Assembly established the modalities of such financing. It had already decided that one half of the Tribunal's expenses would be covered by assessed contributions and the other half by unencumbered balances from the Special Account for UNAMIR. If the Assembly adhered to that formula, the available balance for that purpose was currently $21.4 million and if the additional amount of $4.6 million were added, the total would then be $26 million. It was difficult at the current stage to give a precise estimate of the amount of resources that would be required for the Tribunal the following year. The corresponding budgetary estimates would be submitted at a later date in the session. However, in the light of the appropriations already made for the Tribunal that year ($35 million) and the

large number of newly created posts which would have to be budgeted for the following year, the estimates were likely to increase considerably.

3. In conclusion, he wished to draw attention to paragraph 19 of the report of the Advisory Committee on Administrative and Budgetary Questions (A/51/474), in which the Advisory Committee recommended that the unencumbered balance should be credited to Member States.

4. Mr. GOKHALE (India) said that his delegation had certain concerns with respect to the amount of reimbursements to States which had contributed contingents to UNAMIR. It would welcome clarification on that matter by the Controller and hoped that the Secretariat would provide a written response during a formal meeting of the Committee. The Controller had indicated that the withdrawal of contingents had been nearly completed as at 30 April 1996. The financial situation of the Special Account for UNAMIR seemed healthier than the accounts of other peacekeeping operations. Despite that, troop-contributing countries had been reimbursed only for the period up to November 1995 and the Secretariat had on several occasions cited cash flow problems. His delegation would welcome information on the exact amounts owed to troop contributors for the period after November 1995, in other words, from December 1995 to April 1996. According to the figures given in paragraph 9 of the Advisory Committee's report (A/51/474), which mainly concerned the amount of contributions received, the total amount available in the Special Account for UNAMIR seemed sufficient to effect reimbursements for the period beyond November 1995.

5. Paragraph 11 of the above-mentioned report stated that the balance of payments due to troop-contributing Governments was estimated at $6.6 million. His delegation wished to know whether the cost of contingent-owned equipment was included and, if so, how that figure, which seemed quite unrealistic, had been arrived at. According to the calculations of the Secretariat itself, the amount to be reimbursed to India in respect of contingent-owned equipment was approximately $4 million. Since there were certainly other countries which were awaiting similar reimbursements, the amount mentioned in the report of the Advisory Committee did not appear to be corroborated by the figures issued by the Secretariat. If his delegation's observations were correct, he would invite the Controller to provide precise information on requests for reimbursement in respect of contingent-owned equipment: requests received, those requests already processed and paid and requests which were due to be submitted at a later date. Until such time as those figures were made available, his delegation would be unable to support the Advisory Committee's recommendation that the unencumbered balance should be credited to Member States. He would also be grateful if the Controller could provide in a formal meeting the details of the calculations which had resulted in the figure of $75.2 million for unliquidated obligations.

6. Mr. TAKASU (Controller), on behalf of the Secretariat, thanked the Member States which had contributed troops to UNAMIR and, in response to the comments made by the Indian delegation, said that a separate account was maintained for each mission and that the total balances varied. Nevertheless, he acknowledged that the situation was slightly more favourable in the case of UNAMIR. When it came to draw up plans for reimbursement, the Secretariat intended to give

priority to UNAMIR to take account of that fact. The amounts to be reimbursed in respect of contingent-owned equipment would be in addition to the $6.6 million mentioned in the report of the Advisory Committee. Those amounts were estimated at $31 million, subject to confirmation. Moreover, according to the most recent figures at his disposal, total outstanding contributions to UNAMIR stood at $30.9 million. All those elements had been included in the outstanding obligations. Regarding the projections, future reimbursements would be dependent on available cash balances. He could nevertheless give a firm assurance that the Secretariat would endeavour to the extent possible to reimburse States for expenses incurred in providing troops and equipment. Obviously, that assurance presupposed that expected contributions from certain Member States would actually be paid. But in any event, there was no doubt that significant reimbursements would be made. At the present time he was unable to provide a detailed breakdown with respect to the various balances, but again he pledged to do his best. He would be able to provide detailed information regarding unliquidated obligations during informal consultations.

7. The CHAIRMAN suggested that, in the interest of reconciling the points of view which had been expressed, the Secretariat could submit the figures requested by the Indian delegation in a formal meeting.

8. Ms. HOLLAND (United Kingdom), referring to the Controller's comment that the Secretariat would, to the extent possible, endeavour to reimburse expenses incurred in providing troops and equipment to UNAMIR, said that her Government had provided the Mission with contingents which had been withdrawn in December 1994. Action had yet to be taken on two requests for reimbursement in connection with letters of assist. Her delegation did not believe that reimbursements relating to subsequent periods should take precedence over what was due to the United Kingdom. Accordingly, she sought some assurances from the Secretariat in that regard.

9. Mr. TAKASU (Controller) assured the United Kingdom delegation that it should not be concerned about the order of priority which the Secretary-General would follow in making reimbursements. It was indeed true that the Secretariat was simultaneously and variously indebted to a number of creditors: reimbursement for expenses incurred as a result of providing troops and equipment, payment for debts contracted under letters of assist, settlement of supplier invoices, and so forth. Taking account of all the requirements which had to be reconciled and the limited resources at his disposal, he would endeavour to satisfy Governments awaiting reimbursements for troops and equipment provided to UNAMIR.

10. Mr. GRANT (United States of America) said that he would be grateful to the Secretariat if it would provide up-to-date information on the number of civilian personnel employed by the Mission, in particular the number of personnel needed as against the number proposed and the number of individuals who should continue working for the Mission in the light of the number of work-months forecast.

AGENDA ITEM 116: PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)
(A/50/7/Add.16; A/51/7/Add.1; A/C.5/50/57 and Add.1)

11. Ms. FLOREZ PRIDA (Cuba) said that her delegation fully supported the conclusions and recommendations contained in the report of the Advisory Committee (A/51/7/Add.1). It also associated itself with the statement made by the representative of Costa Rica on behalf of the Group of 77 and China, and reiterated that it was essential to ensure that the budget review should result in decisions which would enable the Organization to comply fully with the purposes and principles of the Charter.

12. Formulating the programme budget had become an extremely cumbersome exercise. The adoption of resolution 50/214 had provided the most recent example, with the Member States deciding to approve a level of resources well below what was necessary to meet the needs of the Organization. That resolution had been the result of difficult negotiation which reflected the need to take account of the positions of different Member States, particularly those which anticipated the disastrous consequences which economy measures might have on the implementation of mandated activities and programmes. The resolution reaffirmed that the General Assembly alone was authorized to make changes to mandated activities and programmes and at the same time it set a vacancy rate of 6.4 per cent for staff in the Professional and General Service categories. Those provisions were the main guidelines to which the Secretary-General should have referred in preparing his report on the economy measures. Unfortunately, her delegation believed that the responses supplied by the Secretary-General in his report A/C.5/50/57/Add.1 were no more satisfactory than those he had given in the previous report (A/C.5/50/57). It was perhaps the case, as the Advisory Committee had indicated in paragraph 22 of its report, that the Secretary-General had encountered difficulty in determining which legislative decisions constituted a mandate. But the prerogatives of the General Assembly and the areas of competence of intergovernmental bodies would then undeniably be at stake. The issue was of the highest importance and should be carefully considered by the General Assembly.

13. Her delegation had noted with interest the information supplied by the Assistant Secretary-General for Human Resources Management regarding the Secretariat's efforts to reassign staff. The issue was a vitally important one given that staff reductions could have an impact on the principle of equitable geographical distribution of posts. It would be a mistake if, in yielding to budget exigencies of a temporary nature, that universal principle were to be jeopardized. Her delegation therefore reserved the right to ask additional questions when the answers requested by the Group of 77 had been supplied. Her Government endorsed the contents of the Advisory Committee's report, but believed that, pending the approval of the budget performance report, the General Assembly should request the Secretary-General to return to their former duties and post any staff members who had not been reassigned. Any redeployment of staff would thus be made contingent on approval of the performance report.

14. It was often said that General Assembly resolutions contained contradictory wording. That seemed to be a relatively new phenomenon originating in the adoption of resolution 41/213, which established the new budget procedure. That resolution had aimed to establish a solid financial base for the Organization;

by approving the budget on the basis of the widest possible consensus, it was believed that the financial crisis would be resolved and the conditions imposed by the State paying the largest contribution would disappear. According to the negotiations which had taken place back then, it seemed that the political context which had made possible the adoption of resolution 41/213 no longer existed. Although the validity of resolutions 50/214 and 50/232 had been reaffirmed, the political position adopted by the State referred to earlier and the additional conditions imposed by its Congress were a flagrant violation of the current budget procedure. Under the circumstances, it would perhaps not be a bad thing for the General Assembly to make a close study of the validity of resolution 41/213 in order to nip the problem in the bud and identify a solution which would accommodate the interests of all Member States.

15. Ms. CHEN Yue (China), recalling the statement made by Costa Rica on behalf of the Group of 77 and China, said that her delegation wished to further explain its position.

16. As the purpose of formulating the programme budget was to concretize, through budgeting, programmes approved by the General Assembly, it was obvious that programme should precede budget. Nevertheless, for the biennium 1996-1997, the process had been reversed. As a result of that irrational process, and repeated reductions of the budget total vis-à-vis real resource requirements, it was unclear whether substantial savings could be achieved without affecting the full implementation of mandated programmes and activities. Normal budget procedures must therefore be restored.

17. In his report (A/C.5/50/57/Add.1), the Secretary-General indicated that the programme budget for the current biennium would be further adjusted to bring the level of total expenditures to $2.608 billion, without, however, stating the reasons for the proposed reductions and analysing the impact that such measures would have on the implementation of the activities mandated by intergovernmental bodies. Under those circumstances, as the Advisory Committee on Administrative and Budgetary Questions (ACABQ) stated in its report (A/51/7/Add.1, para. 37), it was not necessary for the General Assembly to take action on revising appropriations at that point. The Secretariat should therefore provide the Assembly with additional information so that it could take appropriate decisions.

18. The Secretary-General had also pointed out that savings of $154 million would be achieved through the following three measures: raising the vacancy rate (to 11.8 per cent for the Professional category and 7 per cent for the General Service category), programme changes (postponement or cancellation) and efficiency gains.

19. With regard to the staff reductions, it was impossible to accept measures which had not been approved by the General Assembly and which exceeded its competence. At the same time, the Chinese delegation was concerned at the impact that high vacancy rates in the Professional category might have on the implementation of activities approved by the Assembly.

20. With regard to programme changes, the proposed measures ran counter to certain principles repeatedly affirmed by the General Assembly, namely, that

savings would not affect the full implementation of mandated programmes and activities, and that they should be distributed fairly, equitably and non-selectively among all budget sections. In that connection, the Secretary-General's report contained several examples of changes which would have an adverse impact on the execution of programmes relating to the developing countries, whereas the Secretary-General had been requested to ensure that adequate resources were allocated for activities specifically relating to the least developed countries.

21. As to the efficiency gains, their nature should be specified, as it was not always clear whether they could achieve savings such as those projected for the Department for Economic and Social Information and Policy Analysis and the Centre for Human Rights.

22. Moreover, the Secretary-General had not yet submitted a report on the financing of the additional activities mandated by the General Assembly. The Secretary-General, however, appeared to be in a difficult situation, which was not entirely his fault, as the resources required for such activities were to be absorbed within an already tight budget without adversely affecting the implementation of other programmes. Nevertheless, there was no way to ensure the full implementation of the activities mandated by the Assembly without sufficient resources. It was unfair to ask the Secretary-General to resolve that dilemma by himself.

23. Lastly, the Chinese delegation noted that the Organization's total budget should always be maintained at a level sufficient to enable the full implementation of the programmes and mandates approved by the General Assembly, and that to place an arbitrary ceiling on expenditures was out of the question. In respect of the biennium 1996-1997, the $2.608 billion target should not be taken as an insurmountable barrier. The United Nations, which had been given the important responsibility of ensuring global development and security, should have the capacity to meet the requests of the developing countries. In recent years, however, repeated budget cuts had adversely affected the implementation of many operational activities for development. As that phenomenon continued to be cause for concern, it was supremely important for the Organization's budget level to be in keeping with resource requirements.

24. Mr. MIRMOHAMMAD (Islamic Republic of Iran), endorsing the statement made by Costa Rica on benalf of the Group of 77 and China, said it was to be hoped that the Secretariat would provide a detailed reply to the Group's queries regarding the savings to be achieved during the biennium 1996-1997. Those queries did not in any way constitute micro-management of the Secretariat, as had been claimed at the previous meeting. While it was unquestionably the prerogative of the Secretary-General to administer the Secretariat, as envisaged in the Charter, it was equally the prerogative of Member States to set the priorities which must guide the Secretary-General in carrying out his responsibilities. That distinction must be understood and borne in mind. Therefore, it was unjustifiable to attempt to place an arbitrary ceiling on the budget and to ask Member States not to scrutinize measures that would lead to programme changes and staff reductions.

25. In adopting the programme budget in accordance with the budgetary process, Member States had expected to have a clear picture of the Secretariat's proposals for achieving savings. Moreover, the Advisory Committee had made it clear that a dialogue must ensue between the Secretariat and the relevant legislative bodies and that the latter should review the programme of work for the biennium 1996-1997 with a view to providing the Secretary-General with clear guidance.

26. Nevertheless, in his final report (A/C.5/50/57/Add.1), the Secretary-General raised more questions than he answered. The report indicated that the savings requested would entail major programme changes and staff reductions, but did not provide detailed assessments of the impact of such measures on budget performance. It would therefore be very difficult, if not impossible, for Member States to analyse the programme implications of the planned cuts. Furthermore, savings had been identified without a prior determination of programme priorities. Programme managers had decided to postpone or cancel certain programme activities without weighing legislative mandates or consulting Member States. In that connection, the programmes supported by developing countries had been special targets of the cost-cutting measures, particularly the activities of certain regional commissions. On the other hand, the Economic Commission for Europe had been relatively untouched. In addition, under the United Nations Conference on Trade and Development (UNCTAD) (sect. 10A), no explanation was provided of how the projected savings would be achieved.

27. It was equally alarming to learn that the Secretary-General intended to maintain a high vacancy rate in the Professional category and to proceed with the dismissal of staff holding permanent contracts. At the very least, the General Assembly, which had approved the posts that were intended to be abolished, should be informed of the reasons for such measures. Moreover, as ACABQ had indicated, the Secretary-General should not carry out involuntary separations of staff solely to achieve budgetary savings. In that connection it was important to know the numbers and nationalities of consultants and short-term officials who were currently on board since it was clear that the increasing use of such categories of staff undermined equitable geographical representation within the Secretariat. Furthermore, it appeared that, in spite of the freeze that had been imposed, recruitment and promotions had continued in order to fill the posts vacated by officials from the developing countries which, relatively speaking, were less and less well represented in the Secretariat. In addition, the redeployment of Professional staff was proving difficult owing to the reduction in the number of posts as a result of economy measures. It would be helpful in that connection if the Assistant Secretary-General for Human Resources Management were to provide the Committee with information on the contractual status, gender, nationality, functional title and length of service of those concerned, and to explain also the reasons for redeploying 8 posts which were in future to be funded from extrabudgetary resources.

28. Accordingly, his delegation endorsed the conclusions of the Advisory Committee to the effect that there was no need for the General Assembly to take measures at the present stage to revise the appropriations, and recalled that there was a requirement for the Secretary-General to provide the Assembly with the detailed information requested in its resolution 50/214. He should not

proceed with any involuntary separation of staff until such time as the Assembly had considered and approved the programmatic impact of the proposals on possible savings.

AGENDA ITEM 114: PROGRAMME PLANNING (continued) (A/51/6 (Fascicles), A/51/6 (Perspective and Note), A/51/16 (Part I) and (Part II) and A/51/88)

29. Mr. KELLY (Ireland), speaking on behalf of the European Union, welcomed the cooperative efforts which had been undertaken between Member States and the Secretariat to reform the format of the medium-term plan. That document had evolved into one which had very limited strategic or policy value. However, the General Assembly had been unable to agree on the proposed revisions over the course of the previous two years.

30. The prototype of a new format submitted by the Secretary-General at the forty-ninth session (A/49/301) was therefore to be welcomed; it had the merit, in particular, of establishing closer links between the plan and the programme budget, a congruence which was essential in order to enhance a sense of responsibility within the Secretariat.

31. The draft medium-term plan that had been submitted had been prepared on the basis of that prototype and in accordance with the recommendations of the Committee for Programme and Coordination (CPC) and ACABQ. The European Union fully supported the structure of the proposed plan as well as the document entitled "Perspective", prepared by the Secretary-General who, as requested by the General Assembly, had identified persistent problems as well as emerging trends, the resulting challenges for the international community and the leading role of the Organization in meeting them. The argument that the Perspective did not clearly set future priorities for the work of the Organization could not therefore be accepted since those priorities were specified in paragraph 56. While the European Union did not necessarily agree with every idea expressed by the Secretary-General, it did believe that the Perspective should form an integral part of the medium-term plan.

32. There could be no question, however, of replacing it by the document which the Secretary-General had also been asked to prepare (A/51/6 (Note)). The European Union had noted with concern that that document contained language used in working group texts which had not been endorsed by the competent intergovernmental bodies.

33. In considering the draft medium-term plan, the goal of the Committee should be not just to adopt a new plan but also to review the priorities and programmes of the Organization in order to set some clear objectives to be accomplished by the end of the next plan period. It was clearly the Secretary-General's responsibility to determine how mandates should be implemented, but the contribution that could be made by the Committee would help him in guiding the Organization into the new millennium. In that context, the European Union would concentrate on proposing ways to enhance the efficiency and usefulness of the Organization's work programme over the period of the forthcoming four-year plan, particularly since the format of the medium-term plan was now linked to that of the programme budget and thus took better account of the allocation of resources.

34. It would, however, be useful for the Committee, before the end of its informal consultations on the matter, to be provided with additional information on the various programmes and activities outlined in the plan, in particular a list of legislative mandates that were more than 5 years old, to enable the Committee to assess their relevance. Additionally, the importance of priority-setting for the purposes of strategic planning implied by the medium-term plan could not be overemphasized. For its part, the European Union supported all the objectives outlined by the Secretary-General in paragraph 56 of the Perspective, in particular in such key areas as peacekeeping and security, sustainable development, human rights, the development of Africa, humanitarian emergencies and the promotion of justice and international law. Lastly, with respect to the adoption of the medium-term plan as such for the period 1998-2001, the Committee had a difficult task before it since CPC had been unable to agree on a recommendation, in particular on the revised format which had been called in question at the last moment. Any plan that was eventually adopted would have to be seen as a whole and represent a satisfactory and balanced reflection of the views of the entire membership.

AGENDA ITEM 112: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (A/49/498 and Add.1 and 2, A/49/418, A/49/471 and Corr.1, A/49/569 and A/49/633; A/50/507 and Add.1 and A/50/753; A/51/16 (Part I) and Part II) and A/51/128 and Add.1; A/51/124-E/1996/44)

35. The CHAIRMAN recalled that by its decision 50/503 the General Assembly had decided to defer consideration of certain documents submitted under agenda item 112 to its fifty-first session. With regard to the report of the Secretary-General on the programme performance of the United Nations for the biennium 1994-1995 (A/51/128 and Add.1), he drew the attention of the Committee to the conclusions and recommendations of CPC contained in paragraphs 15 to 21 of its report (A/51/16 (Part I)), and in particular to the fact that 181 outputs carried over from the biennium 1992-1993 had been further postponed to the 1996-1997 biennium.

The meeting rose at 11.20 a.m.